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DEPARTMENT FOR H: PLEASE PASS TO CODEL MEEKS

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SUBJECT: SCENESETTER FOR CODEL MEEKS

#### Welcome and Introduction

1. (SBU) Mission warmly welcomes CODEL Meeks to Rwanda. The U.S. Government partners closely with Rwanda on a wide range of bilateral, regional and global issues such as fighting HIV/AIDS and malaria, expanding economic development and assisting Rwanda's democratic structures. Rwandans deeply appreciate that the United States is the largest bilateral aid donor operating in Rwanda, with over \$236 million in development and military assistance in FY08 and an estimated \$214 million in FY09. During your stay, you will have the opportunity to speak with senior Rwandans on key issues related to economic development, visit an innovative health program site, and visit the principal genocide memorial.

2. (SBU) Although Rwanda is a stable country, it is still struggling to overcome the legacy of the 1994 genocide when Rwandans killed an estimated one million of their fellow citizens and gravely damaged the nation's infrastructure, economy and society. Many measures of social progress fell precipitously. This past April, the Government of Rwanda (GOR) commemorated the 15th anniversary of the tragedy. Since the genocide ended, the economy has largely recovered and the Government of Rwanda (GOR) has adopted an ambitious set of development goals, seeking to become the "Singapore of Africa." The GOR remains deeply committed to educating its people and expanding nationwide access to health care with the help of the USG's PEPFAR and President's Malaria Initiative (PMI) programs. It seeks to forge national unity through the reconciliation of Rwanda's ethnic groups. It has made great strides in restoring security and establishing the underpinnings for a developing democracy. Yet much remains to be done if Rwanda is to meet the aspirations of its overwhelmingly young and growing population. We are working with the Government of Rwanda (GOR) to implement a three-year, \$25 million Millennium Challenge Corporation (MCC) Threshold Country Plan, as a potential prelude to a full MCC compact of development assistance. End introduction.

#### Economic Development and US Investment

3. (SBU) Economic Development: Fifteen years after the genocide, daunting development challenges remain. The Rwandan economy is small and relatively isolated. There is poor infrastructure and a lack of a trained workforce. The economy remains largely dependent upon foreign aid (roughly half of its budget comes from donors). Eighty-five percent of families earn their living through subsistence agriculture and a majority of households live below the poverty line of

250 Rwandan francs a day (about \$0.45). The recent world-wide economic downturn has begun to affect Rwandan exports, reduce remittances, and impact tourist revenues. The GOR is working with the IMF and the donor community to proactively address the financial and economic impact of the crisis.

14. (SBU) Nonetheless, Rwanda achieved an average GDP growth rate of 6 percent over the past six years. In 2008, the GDP grew 11.2 percent to approximately \$4 billion, although the growth rate is projected to slow to 5.3% for 2009. Inflation climbed to over 20 percent last year but in recent months has dropped to approximately 10 percent. Coffee, tea and minerals dominate the export sector, representing \$200 million, or 70 percent of total exports in 2008. Tourism earned an additional \$243 million in foreign exchange during the year. Additionally, the GOR seeks to establish Rwanda as a regional economic hub, bridging the Francophone west and Anglophone east. It has achieved major improvements in the areas of tax collection, banking, trade agreements, anti-corruption, and fiscal policy. The government has worked hard to improve infrastructure throughout the country and maintains a low corruption rate relative to neighboring countries.

15. (SBU) U.S. Investment: In February 2008, President Bush and President Kagame signed a Bilateral Investment Treaty aimed at encouraging investment and trade between the United States and Rwanda. In March 2009, American energy company Contour Global signed a \$325 million project with the GOR to extract methane gas from Lake Kivu to provide 100MW of electricity to the national grid. This is the largest foreign private-sector investment in Rwanda's

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history and promises to significantly improve the availability and cost of electricity. Other American investments include interest in tea, coffee, and mining, including the recent purchase of the Karongi Tea Estate by a U.S. investment group for approximately USD 15 million (making it the second US-owned tea estate in Rwanda). The New York-based Christies Real Estate development firm is in the final stages of negotiating a \$250 million build-operate-transfer agreement with the government and the National University of Rwanda.

16. (SBU) Poverty Reduction: The GOR has made strong efforts, with measurable results, to reduce poverty, despite its severely limited resources. It has focused considerable resources and attention on the agricultural sector, improving farm production and income, and greatly enhanced the quality of farm-to-market roads and the distribution of health centers and schools in rural areas. It has also implemented plans for the prevention, protection, and reintegration of the 7,000 street children in the country (out of 4.8 million children). These include vocational training to promote self-reliance through development of income-generating skills. Rwanda completed the Highly Indebted Poor Country (HIPC) debt relief initiative and the Multilateral Debt Relief Initiative in 2006. Completion of these two debt initiatives significantly reduced its overall debt, freeing significant funds for social programs. Rwanda continues to face challenges to food security from cyclic rainfall shortages.

17. (SBU) Coffee: U.S. support for coffee production has transformed the sector. Over the past eight years, the USG has invested an estimated \$12 million in promoting and developing the Rwandan coffee industry, building and rehabilitating coffee washing stations, training farmers and "cuppers" (coffee tasters), organizing cooperatives, encouraging banks to lend to Rwandan investors to build coffee washing stations, and improving rural infrastructure. Today, Rwandan coffee has become known as one of the "best of the best" coffees in the world. Rwanda exported 4200

tons of specialty coffee in 2008. In July, Starbucks opened a Farmers Support Center in Rwanda, the first such center in Africa.

## Health

18. (SBU) Global Health: Rwanda is one of 15 "focus countries" under the President's Emergency Plan for AIDS Relief (PEPFAR). The national HIV prevalence rate is approximately 3.0 percent (3.6 percent for women, 2.3 percent for men). A 2005 survey suggests that women are contracting HIV/AIDS at a younger age than men, and that for both sexes, prevalence in urban areas is approximately three times higher than in rural areas. Through PEPFAR and Global Fund support, Rwanda has increased the number of facilities offering services for prevention of mother-to-child transmission from 53 to 345, and voluntary counseling and testing from 44 to 381. Rwanda has achieved 70 percent coverage of those in need of anti-retroviral treatment. This is one of the highest rates in sub-Saharan Africa, and can be directly linked to the significant geographic expansion of HIV/AIDS services. Rwanda has also completed a national roll-out of performance-based financing as an incentive for improved health care delivery, and built the capacity of local organizations to manage and implement HIV/AIDS programs. FY09 PEPFAR funding for Rwanda is nearly \$123 million. FY10 funding is expected to be at similar levels. The Rwanda Qfunding is expected to be at similar levels. The Rwanda Defense Force (RDF) has been a leader in HIV/AIDS programs for military forces in Africa, and has several innovative programs underway to protect its men and women.

19. (SBU) Malaria: In addition, Rwanda is a President's Malaria Initiative (PMI) country. In 2006, the number of uncomplicated malaria cases treated in public sector health facilities was 1.3 million. By mid-FY08, it decreased to 900,000 cases. Given this reduced incidence, malaria has now dropped down to third place as the leading cause of morbidity and mortality among children under five in Rwanda. Much of this success is attributed to the use of indoor-residual spraying and insecticide-treated bed nets funded by USAID. Currently, a spraying campaign is under way that will treat 275,000 houses or more than 1.3 million people (more than 10 percent of the population). PMI funding in FY08 was \$17 million; FY09 funding is similar at

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\$16.3 million. The Mission also implements successful programs in child survival, maternal and child health, reproductive health and family planning. In FY09, \$15.5 million is allocated for these programs.

## Democracy and Governance Assistance

10. (SBU) Millennium Challenge Corporation Country Threshold Program: Rwanda was selected in 2006 for the Threshold program. The GOR Country Plan was approved by the MCC Investment Committee in July 2008; the final agreement was signed in October 2008. USAID recently initiated four projects (supporting the police, strengthening the media, aiding civic participation, and developing the justice sector) to implement the three-year, \$25 million Threshold Country Program. The Program is intended to improve Rwanda's scores on three MCC Ruling Justly indicators: civil liberties, political rights and voice and accountability.

11. (SBU) Democracy and Governance Programs: In addition to the Threshold program, other USG programs focus on local government and reconciliation. We are supporting decentralized governance through an innovative program to achieve health and governance objectives by acting to improve

local government's capacity to manage funds and deliver high quality health services. This program is complemented by capacity-building programs for local civil society organizations. On rule of law issues, we are helping the Ministry of Justice and other government officials to improve the quality of draft legislation. We also support provision of legal aid services to the poor and other vulnerable groups, helping to ensure equitable access to justice. We have funded youth radio for peace and reconciliation through a Great Lakes regional initiative that has enabled young people to take an active role contributing to peace and reconciliation in their communities. A new project implemented by the National Democratic Institute is working with political parties to build their capacity for the 2010 elections.

#### Domestic Issues

¶12. (SBU) Political Issues: In 2003, President Kagame was elected to a seven-year term with 95 percent of the vote. He is widely expected to compete for and win one more term in ¶2010. In September 2008, Rwanda held parliamentary (Chamber of Deputies -- 80 members) elections, with the ruling Rwanda Patriotic Front and its six coalition partners winning 79 percent of the vote. Additionally, Rwanda has the highest percentage of women parliamentarians (55 percent) in the world. The elections were peaceful and orderly, despite irregularities. Although some constitutional and regulatory restrictions on political party operations remain in place, and use of broadly-worded criminal statutes sanctioning "divisionism" and "genocide ideology" concern the human rights community, a June 2007 law liberalized political party operations. Other human rights concerns include restrictions on a free press, a judicial system still hampered by capacity limitations, and heavy regulation of civil society organizations. Recently-adopted legislation on the press may have a mixed effect on media freedom; parliament is also considering legislation on the activities of religious groups as well as local and international NGOs.

¶13. (SBU) Justice and the Genocide: Over one million suspected "genocidaires" (those who participated in the 1994 genocide) are the subject of judicial inquiry by the "gacaca courts," a traditional system modernized and Q"gacaca courts," a traditional system modernized and expanded by the GOR. The approximately 3000 gacaca courts have adjudicated roughly 90 percent of the pending cases, and the gacaca service hopes to finish all cases including appeals by early 2010. The GOR decreed in 2007 that gacaca prisoners would serve their suspended and community service sentences first, and return to prison at a later date. Since this decision, the formerly large prison population has diminished, alleviating crowded and unsustainable conditions. While a small number of the most serious genocide offenders, including the leadership and organizers, are tried at the International Criminal Tribunal of Rwanda (ICTR) and will continue to face judgment by regular courts, the gacaca courts represent the GOR's principal attempt to deal with overwhelming numbers of alleged perpetrators as well as to achieve justice and reconciliation--a difficult balance, given Rwanda's history

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of internal divisions. It will likely take years to assess the impact of the gacaca trials on national reconciliation. It is clear, however, that not all of those who were convicted of crimes are repentant. Addressing lingering animosity and resentment will take several generations.

#### Regional Issues

¶14. (SBU) Relations with Neighbors: Relations between Rwanda

and the DRC are better now than at any time in the recent past, with both sides collaborating to combat the sources of regional instability. In August, the two heads of state held their first summit in years, both symbolizing and reinforcing this trend. The Rwandan and Congolese energy ministers followed up the summit with a high-level meeting to discuss joint exploitation of methane gas reserves in Lake Kivu, which the two countries share. And in early 2009, Rwanda and the Congo conducted a joint military campaign that helped build confidence between their governments and respective populations, and achieved some successes against the Democratic Forces for the Liberation of Rwanda (FDLR), an armed group and descendant of the former, genocidaire Rwandan government. During the campaign, Rwandan and Congolese troops killed or captured over 750 FDLR fighters, many of whom returned voluntarily to Rwanda under a demobilization/reintegration program. The FDLR, however, remains a threat and has regained some of the territory it ceded during the joint operation. The two governments continue their intensive bilateral discussions under what is referred to as the "Four Plus Four" rubric. The USG-facilitated Tripartite-Plus Joint Commission, which met most recently in December 2008 in Kigali, continues to provide a venue for further discussions on regional security cooperation; the next meeting will be in Lubumbashi, DRC. Elsewhere in the region, Uganda and Rwanda enjoy their most positive relations in years, and the simmering internal political problems in Burundi show signs of improvement.

¶15. (SBU) Peacekeeping Mission in Darfur: The highly competent RDF now ranks as the sixth-largest troop contributor to UN peacekeeping operations worldwide. An experienced RDF officer recently assumed command of the United Nations African Mission in Darfur (UNAMID), where the RDF currently has four battalions (3200 troops). Another 254 RDF troops are in Khartoum under the UN Mission in Sudan (UNMIS). The USG has provided logistical and training support for Rwandan peacekeeping efforts in Sudan since 2004. American contractors under the Africa Contingency Operations Training Assistance (ACOTA) program (Rwanda became a full ACOTA partner in June 2006) have trained nearly twenty battalions in preparation for the Darfur deployments. We provided \$30 million in 2008 in new equipment for these battalions, and helped establish a peacekeeping simulation center. The USG has airlifted Rwandan equipment and personnel to Darfur many times. The RDF has been quite critical at times of the U.N. bureaucracy, particularly on the subject of equipment transport to Darfur.

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